

Department of City Development, City of Milwaukee

Invitation for Bid #57472
Furnace Maintenance Services

Addendum #1
October 29, 2013

THIS ADDENDUM IS ISSUED TO MODIFY, CLARIFY OR CORRECT THE ORIGINAL DOCUMENTS AND IS HEREBY MADE A PART OF SAID DOCUMENTS.

Questions and Answers:

Question 1: Am I to assume there are no residency requirements for the performance of this project?

Answer 1: Correct, there are no residency requirements for the performance of this project.

Question 2: It states permits are required for furnace replacements. Am I to assume the permits will be reimbursed by the City to the Contractor at cost?

Answer 2: When a contractor performs work on a city property that requires a permit, the contractor will not be charged for obtaining the permit by the development center. Therefore no reimbursement would be needed. The contractor would still need to get the permit, they just would not be charged for it.

Question 3: It states that materials furnished for the repairs or installation will be reimbursed to Contractor upon furnishing an itemized receipt. It states this will be at cost without any mark up. How can a contractor perform this contract without going out of business, if we are to recover strictly cost without any overhead or mark up?

Answer 3: No, there is no markup for materials. Bidders should include that into their unit price costs.

Question 4: It states the materials furnished will be reimbursed by City but the City will not pay any associated sales tax. Most contractors are taxable companies; in turn when we purchase furnaces, sheet metal, fittings, etc....we pay sales tax. Most contractors are not exempt from sales tax (unlike a municipality that is exempt but only when they are making an owner direct purchase per the state law) Am I to assume that the City will not reimburse the Contractor cost because if we pay sales tax and that direct cost is disallowed, we are in fact getting materials furnished reimbursed at a negative cost because it would be 5.6% less than what we pay due to the disallowed aspect of the sales tax. Please clarify this.

Answer 4: The city does not pay or reimburse for sales tax. Bidders should include that into their unit price costs.

ALL BIDDERS SHALL ACKNOWLEDGE RECEIPT AND ACCEPTANCE OF ADDENDUM NUMBER 1 (DATED October 29, 2013) FOR INVITATION FOR BID #57472, BY SIGNING IN THE SPACE PROVIDED AND SUBMITTING THE SIGNED ADDENDUM WITH YOUR BID. BIDS SUBMITTED WITHOUT THIS ADDENDUM WILL BE CONSIDERED NON-RESPONSIVE.

SIGNED THIS _____ DAY OF _____, 20__.

SIGNATURE

COMPANY NAME